

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No. D.T.E. 02-24/25
Record Request Response

Record Request No.: AG-RR-60 (Gas)

- a. Indicate how gas services are treated for ratemaking purposes that are no longer providing service to customers, but have not yet been removed from service.
- b. Indicate the test year amounts in plant in-service for such unused services.

Response:

- a. An inactive service is described by federal and state regulations as a service that is connected to the gas main, but is not currently delivering gas to a customer. The service line usually is gassed to operating pressure with the shutoff valve closed and locked at the service riser. An inactive service may be re-activated without ever being disconnected and abandoned whenever a customer wishes to have gas service restored. Additionally, service reactivation frequently occurs prior to reaching the mandated timeframe required for abandoning the inactive service. Federal and state regulations specify that inspections, maintenance and record-keeping requirements be the same for both active and inactive services.

FG&E treats inactive services for ratemaking purposes in a manner similar to other gas utilities in the State of Massachusetts. Inactive and active services are included in plant in-service under the FERC Account 380, Services, at the original installation cost. An annual depreciation expense is taken based upon a depreciation schedule developed for this FERC Account. A depreciation reserve account accumulates this annual depreciation. The net utility plant used for ratemaking purpose includes both the original installation cost and the offsetting accumulated depreciation. Costs associated with inspections, maintenance and record-keeping of inactive services, for ratemaking purposes, are included in the company's operations and maintenance expenses.

- b. The test year amount for plant in-service inactive services is \$892.

The test year number of inactive services (as of December 31, 2001) is thirty five (35).

Person Responsible: Mark H. Collin